Winona Housing Co-operative Inc.
WHC
1463 Eglinton Avenue West Toronto, ON M6C 3Z5 (416) 783-3341

BY-LAW NO. 7

INVESTMENT BY-LAW

Passed by the Board of Directors on February 10th, 2026 .
Approved by the Members on March 24th, 2026

TABLE OF CONTENTS

1. Purpose of this by-law 1

2. Introduction and special meanings 1

3. Administration 3

4. Investment objectives 3

5. Types of investment that are allowed 3

6. External investment manager 4

7. Capital planning and investment allocation 4

Form 1 5

1. Purpose of this by-law

The purpose of this by-law is to establish the principles and guidelines for the investment of Winona Housing Co-operative Inc. ("the Co-op")'s capital reserves and other funds. It changes the rules in the Co-op's existing by-laws in the following areas:

- Article _____ in By-law No._____, the Organizational By-law. N/A
- By-law No. _____, a By-law to Amend the Investment Rules in By-law No. _____, the Organizational By-law. N/A

Winona's Board of Directors will

- Review this By-law annually and propose amendments as required;
- Invest and deposit funds according to this By-law;
- Review the Co-op's investments when the By-law is adopted and make any necessary changes to follow it;
- Monitor investments results on an annual basis;
- Report to the members about the investments at the Co-op's GM

2. Introduction and special meanings

2.1 The Co-op has funds other than the monies it needs for current operations. These funds include the capital reserve fund, member deposits and retained earnings. The Co-op wants to invest these funds for the purpose of

- maintaining and preserving its homes and other property
- providing for future financial contingencies.

2.2 The Co-op is a non-profit corporation and none of the investment income on the funds is subject to tax of any kind.

2.3 Number not used.

2.4 The Co-op may adopt from time to time other policies and procedures that work with this by-law.

2.5 Certain words have special meanings when used in this by-law.

(a) Number not used.

(b) Number not used.

(c) Number not used.

(d) "Capital plan" is a plan for the replacement of the capital items, such as appliances, flooring, roofs and windows, that includes

- a study of the condition of the buildings with a schedule of when the replacements will be needed (a building condition assessment)

- a forecast of the annual funding requirements for the capital reserve (reserve fund forecast).

(e) “Capital reserve fund” is the money that a co-op puts in a separate fund to replace or make major repairs to capital items such as roofs, furnaces, stoves, refrigerators, carpets and plumbing. The money in the capital reserve fund comes from the annual or monthly transfer from the Co-op’s operating budget and any additional lump sum contributions that the Co-op may make.

(f) “Investment allocation” means the proportion of funds invested in different types of investments.

(g) “Investment risk” means the risk that some of the value of the principal could be lost through changes in the value of the investment.

(h) “Member deposits” means the amount of money the Co-op holds for each member household while that household lives in the Co-op.

(i) “Principal” means a sum of money placed in an investment to earn investment income.

(j) “Retained earnings” means the accumulation of annual surpluses less annual losses over the life of the Co-op.

(k) “Rate of return” means the annual amount of income from an investment, expressed as a percentage of the principal.

(l) “Reserve Fund Forecast (RPF)” is a plan for the funding requirements for the replacement of capital reserve.

(m) “Building Condition Assessment (BCA)” is a study of the condition of the building with a schedule of when the replacements of the capital items will be needed.

3. Administration

3.1 The Co-op's board of directors will

a) review this by-law from time to time and propose amendments as required

b) invest and deposit funds according to this by-law

c) review the Co-op's investments when the by-law is adopted and make any changes necessary to follow it

d) monitor investment results

e) report to the members about the investments at the Co-op's annual meeting.

4. Investment objectives

4.1 **Capital reserve fund**

The primary objectives for investing the capital reserve fund are

a) to achieve the best possible rate of return while keeping investment risk to an acceptable level

b) to ensure that the Co-op has sufficient money to maintain its property.

4.2 **Other funds**

The primary objective for investing other funds which include member deposits and retained earnings is to achieve the best possible rate of return while keeping investment risk to an acceptable level.

5. Types of investment that are allowed

5.1 **Capital reserve funds**

The board may only invest capital reserve funds in securities of mutual or investment funds managed or offered by a credit union or by a bank.

(a) Number not used.

(b) Number not used.

5.2 **Other investments**

Other funds, which include member deposits and retained earnings may only be invested in

(a) bank or credit union deposits (i.e. Escrow accounts)

(b) government bonds, treasury bills or other securities backed by a level of government in Canada or by a crown corporation or agency

(c) Number not used.

6. External investment manager

6.1 Number not used.

6.2 The Co-op's board of directors may hire a professionally accredited investment manager to manage any other investments. The board must consult with an investment manager before making any investments other than bank or credit union deposits.

6.3 The Co-op's board of directors will make sure that any investment manager, or other agent or advisor providing investment services to the Co-op, is aware of and follows this by-law.

6.4 Every year the Co-op's board of directors will review the performance of any investment manager, agent or advisor it is using.

7. Capital planning and investment allocation

7.1 **Capital planning**

The Co-op's board of directors will have a capital plan prepared and updated from time to time to help guide its decisions about when cash from its capital reserve funds will be needed for capital replacements and repairs.

7.2 **Investment allocation**

The board will decide how to allocate capital reserve and other funds among the investment alternatives based on

a) the Co-op's requirements for cash over the short and long term

b) the need to diversify (choose a mix of) investments to balance investment risk against rate of return

c) Number not used.

Form 1

Confidentiality Agreement for Investment Advisor

I have agreed to help the Co-op under the Co-op's Investment By-law.

I understand that

- I will learn confidential information during the bidding process
- I will use any confidential information only to evaulate the bids
- I must keep secret any confidential information even after the formal bidding process is over.

Confidential information is

- Any information received from bidders
- Any information discussed at meetings dealing with the formal bidding process
- Any information about the Co-op that is relevant to the formal bidding process.

Unless authorized by the board, I agree not to respond to any inquiries related to the formal bidding process.

Signature:

_____

Print name

_____ _____

Signature Date